

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name <b>Huron County Airport</b>	County <b>Huron</b>
Audit Date <b>12/31/04</b>	Opinion Date <b>6/3/05</b>	Date Accountant Report Submitted to State: <b>6/29/05</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Brining &amp; Nartker, P.C.</b>			
Street Address <b>64 Westland Drive</b>	City <b>Bad Axe</b>	State <b>MI</b>	ZIP <b>48413</b>
Accountant Signature <i>Brining &amp; Nartker, P.C. by: Douglas P. Brining CPA</i>		Date <b>6/30/05</b>	

# BRINING & NARTKER, P.C.

*Certified Public Accountants*

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Certified Public Accountants

June 3, 2005

Board of Commissioners  
Huron County Road Commission  
Bad Axe, Michigan 48413

The following comments relate to situations brought to our attention during the course of our recent audit of the Huron County Airport financial statements, for the year ended December 31, 2004, and are submitted for your evaluation and consideration. We would like to emphasize that, since our audit was conducted for the purpose of expressing an opinion on the aforementioned financial statements, these comments are not necessarily all inclusive.

## **Capitalization Policy**

The implementation of GASB Statement No. 34 requires a conversion of the fund financial statement to the government-wide financial statements. Capital assets are one of the items that are accounted for differently between these two types of statements. Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads and bridges), are generally defined as tangible in nature with an estimated useful life of two or more years and an original cost over a dollar threshold (e.g. \$1,000 or \$5,000). These asset costs are then recorded on the balance sheet and depreciated over their estimated useful life, rather than treated as a current year expenditure.

We recommend that the Board adopt a capitalization policy which defines their criteria of what a capital asset is. This policy should include a dollar threshold and a table that establishes estimated useful lives for the different types of capital assets used.

We wish to take this opportunity to thank the officials with whom we have worked for the cooperation we received throughout our audit.

As always, our firm will be happy to assist in implementing any recommendations approved by the Board.



BRINING & NARTKER, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

**HURON COUNTY AIRPORT  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**

**FINANCIAL REPORT  
DECEMBER 31, 2004**

**HURON COUNTY AIRPORT  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**

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## INDEPENDENT AUDITORS' REPORT

Board of County Road Commissioners of  
Huron County  
Bad Axe, Michigan 48413

We have audited the accompanying basic financial statements of the Huron County Airport, a component unit of Huron County, Michigan, as of December 31, 2004, and for the year then ended as listed in the table of contents. These financial statements are the responsibility of the Airport's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not prepared their discussion and analysis information for the Huron County Airport. This discussion is required by U.S. generally accepted accounting principles as supplemental information.

In our opinion, except for the omission of management's discussion and analysis as discussed in the previous paragraph, which results in an incomplete presentation, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Huron County Airport as of December 31, 2004, and the results of its operations for the year then ended, in conformity with U.S. generally accepted accounting principles.

The budgetary comparison information on page 10 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



BRINING & NARTKER, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

June 3, 2005

## **BASIC FINANCIAL STATEMENTS**

**HURON COUNTY AIRPORT  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2004**

**ASSETS:**

Current assets:

Cash	\$ 56,142
Project advances	36,433

Noncurrent assets:

Capital assets (net of accumulated depreciation)	3,778,978
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<b>TOTAL ASSETS</b>	<b><u>3,871,553</u></b>
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**LIABILITIES:**

Current liabilities:

Due to other funds	47,619
Accrued interest payable	180
Installment purchase agreements payable	1,434

Noncurrent liabilities:

Installment purchase agreements payable	4,717
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<b>TOTAL LIABILITIES</b>	<b><u>53,950</u></b>
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**NET ASSETS:**

Investment in capital fixed assets net of related debt	3,772,827
Unrestricted	24,776
Restricted for capital projects	20,000

<b>TOTAL NET ASSETS</b>	<b><u>\$ 3,817,603</u></b>
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The accompanying notes are an integral part of the financial statements.

**HURON COUNTY AIRPORT  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

PROGRAM EXPENSES:	
Public Works - Airport:	
Personal services	\$ 32,771
Contracted services	21,259
Maintenance expense	6,998
Utilities	11,939
Administrative expense	9,669
Depreciation expense	63,306
Interest expense	313
TOTAL PROGRAM EXPENSES	<u>146,255</u>
PROGRAM REVENUE:	
Federal grants	383,666
State grants	14,416
Charges for services	13,936
TOTAL PROGRAM REVENUE	<u>412,018</u>
NET PROGRAM REVENUE	<u>265,763</u>
GENERAL REVENUE:	
Other	49,515
Transfer in - primary government	80,000
TOTAL GENERAL REVENUES AND TRANSFER	<u>129,515</u>
CHANGE IN NET ASSETS	<u>395,278</u>
NET ASSETS - BEGINNING OF YEAR	3,422,325
NET ASSETS - END OF YEAR	<u><u>\$ 3,817,603</u></u>

The accompanying notes are an integral part of the financial statements.



**HURON COUNTY AIRPORT  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004**

<b><u>ASSETS</u></b>	
Cash	\$ 56,142
Project advances	36,433
<b>TOTAL ASSETS</b>	<b><u>\$ 92,575</u></b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>	
LIABILITIES:	
Due to other component units	\$ 47,619
<b>TOTAL LIABILITIES</b>	<b><u>47,619</u></b>
FUND BALANCE:	
Designated	20,000
Undesignated	24,956
<b>TOTAL FUND BALANCE</b>	<b><u>44,956</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 92,575</u></b>

**HURON COUNTY AIRPORT  
RECONCILIATION OF THE BALANCE SHEET FUND BALANCE TO  
THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Total governmental fund balance	\$ 44,956
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,778,978
Other long-term liabilities are not due in the current period and therefore are not reported in the funds.	(6,331)
<b>Net assets of governmental activities</b>	<b><u>\$ 3,817,603</u></b>

The accompanying notes are an integral part of the financial statements.

**HURON COUNTY AIRPORT  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

REVENUES:	
Rentals and fees	\$ 12,139
Federal grants	383,666
State grants	14,416
Charges for services	1,797
Other	49,515
TOTAL REVENUES	<u>461,533</u>
EXPENDITURES:	
Airport operations	82,637
Capital outlay	431,069
Debt service	1,723
TOTAL EXPENDITURES	<u>515,429</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(53,896)</u>
OTHER FINANCING SOURCES (USES):	
Operating transfers in	80,000
NET CHANGE IN FUND BALANCE	<u>26,104</u>
FUND BALANCE - JANUARY 1	18,852
FUND BALANCE - DECEMBER 31	<u><u>\$ 44,956</u></u>

**HURON COUNTY AIRPORT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Net change in fund balance	\$ 26,104
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. Equipment retirement is recorded as an expenditure credit in governmental funds, but not recorded as an expense in the statement of activities.	367,764
Repayment of installment purchase agreement payable is an expenditure in governmental funds, but reduces the long-term liabilities in the statement of net assets.	1,410
Change in net assets of governmental activities.	<u><u>\$ 395,278</u></u>

The accompanying notes are an integral part of the financial statements.

**HURON COUNTY AIRPORT  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Huron County Airport conform to U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Huron County Airport.

**The Reporting Entity**

In accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, the Airport Fund is considered to be a component unit of Huron County for financial reporting purposes. The criteria established by GASB for determining various governmental organizations to be included in the financial reporting entity's statements are discussed in the following paragraphs.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The reasons cited for including the Huron County Airport as a component unit of Huron County (the primary government) include the appointment of the Road Commission's three member governing board, the ability to impose its will on the Airport and the potential for a financial benefit or burden on the County.

**Related Organizations**

The Board of County Road Commissioners is the appointed governing body of the Airport Fund of Huron County. It is also the appointed governing body of the Road Commission, Drains and Parks Funds and these funds are also component units of Huron County, but are not included in these financial statements. The component unit financial statements for the Drains, Parks and Road Commission Funds are issued in separate reports, which are available at the Huron County Road Commission office located at 417 South Hanselman Street, Bad Axe, Michigan.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements (i.e., statement of net assets and statement of activities) are reported using the economic resource measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grant and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

**Depreciation**

Capital outlays are recorded as expenditures of the Special Revenue and Capital Projects Funds and as assets in the government-wide financial statements. Depreciation is recorded on general fixed assets on a government-wide basis using the straight line method and following estimated useful lives:

Buildings	25-50 years
Leasehold Improvements	10-20 years

(Continued)

**HURON COUNTY AIRPORT  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(CONTINUED)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Accounting Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**NOTE 2 - BUDGET INFORMATION**

The budget, and all amendments thereto, for the Governmental Fund is adopted by the board to the line item level on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year end. The Airport Fund does not utilize encumbrance accounting.

Excess of Expenditures Over Appropriations in Budgetary Funds

P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

During the year ended December 31, 2004, the Airport Fund incurred expenditures in excess of the amounts appropriated, as follows:

	<u>AMOUNT</u> <u>APPROPRIATED</u>	<u>AMOUNT OF</u> <u>EXPENDITURES</u>	<u>BUDGET</u> <u>VARIANCE</u>
Contracted maintenance services	\$ 13,000	\$ 13,270	\$ 270
Insurance	\$ 6,000	\$ 6,485	\$ 485
Capital outlay	\$ 358,370	\$ 431,069	\$ 72,699

**NOTE 3 - CASH AND INVESTMENTS**

Deposits are carried at cost. Deposits of the Airport are at various banks in the name of the Huron County Treasurer. Michigan Compiled Laws authorize the County to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan associations with an office located in Michigan; bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan; and commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; and investment pools organized under the surplus funds investment pool act.

Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion No. 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan. The Airport's deposits are in accordance with statutory authority. The Governmental Accounting Standards Board (GASB) Statement No. 3 risk disclosures for the Airport's cash deposits are as follows:

(Continued)

**HURON COUNTY AIRPORT**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
**(CONTINUED)**

**NOTE 3 - CASH AND INVESTMENTS** (Continued)

<u>DEPOSITS</u>	<u>CARRYING AMOUNT</u>
Insured (FDIC)	\$ *
Uninsured, uncollateralized	
Total deposits	<u>\$ 56,142</u>

\*For the purposes of these financial statements, the extent of FDIC insurance coverage cannot be determined because some of the accounts are maintained by the Huron County Treasurer in pooled accounts, which include other County funds that are outside of the Airport's reporting entity. These accounts are maintained at various banking institutions which are also used for deposits of other funds of the County of Huron.

**NOTE 4 - CAPITAL ASSETS**

Capital assets activity for the current year was as follows:

	Balance January 1, <u>2004</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2004</u>
Capital assets, not being depreciated-				
Land	\$ 375,591	\$ -	\$ -	\$ 375,591
Land improvements	2,494,855	170,995	-	2,665,850
Construction in progress	-	18,015	-	18,015
Total capital assets, not being depreciated	<u>2,870,446</u>	<u>189,010</u>	<u>-</u>	<u>3,059,456</u>
Capital assets, being depreciated-				
Buildings	78,000	-	-	78,000
Runway surface	401,600	238,983	-	640,583
Runway extension surface	120,994	-	-	120,994
Runway lighting	411,382	3,077	-	414,459
Fuel system	43,500	-	-	43,500
	<u>1,055,476</u>	<u>242,060</u>	<u>-</u>	<u>1,297,536</u>
Less - accumulated depreciation for-				
Buildings	78,000	-	-	78,000
Runway surface	220,880	32,029	-	252,909
Runway extension surface	12,100	6,050	-	18,150
Runway lighting and marking	183,428	20,877	-	204,305
Fuel system	20,300	4,350	-	24,650
	<u>514,708</u>	<u>63,306</u>	<u>-</u>	<u>578,014</u>
Total capital assets, being depreciated, net	<u>540,768</u>	<u>178,754</u>	<u>-</u>	<u>719,522</u>
Governmental activity capital assets, net	<u>\$ 3,411,214</u>	<u>\$ 367,764</u>	<u>\$ -</u>	<u>\$ 3,778,978</u>

**HURON COUNTY AIRPORT  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(CONTINUED)**

**NOTE 5 - DUE FROM/TO OTHER COMPONENT UNITS**

Interfund receivable and payable balances at December 31, 2004 are as follows:

	<u>DUE FROM</u>	<u>DUE TO</u>
Airport Fund:		
Road Fund *	<u>\$ -</u>	<u>\$ 47,619</u>

\*The Road Fund is the operating fund of the Huron County Road Commission, which is another component unit of the County of Huron. The financial statements for the Huron County Road Commission are issued under separate cover.

**NOTE 6 - LONG-TERM DEBT OUTSTANDING**

The following is a summary of the outstanding debt of the Huron County Airport as of December 31, 2004:

Note payable - Michigan Aeronautics Commission  
Michigan Airport Loan Program with annual  
payments of \$1,723 including interest at the  
rate of 4.7% through May 2008.

\$ 6,151

Changes in long-term debt for the year ended December 31, 2004 were as follows:

	<u>BALANCE JANUARY 1, 2004</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE DECEMBER 31, 2004</u>
Michigan Aeronautics Commission	<u>\$ 7,521</u>	<u>\$ -</u>	<u>\$ 1,370</u>	<u>\$ 6,151</u>

Annual debt service requirements to maturity are as follows at December 31:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$ 1,434	\$ 289	\$ 1,723
2006	1,501	222	1,723
2007	1,572	151	1,723
2008	1,644	78	1,722
2009	-	-	-
	<u>\$ 6,151</u>	<u>\$ 740</u>	<u>\$ 6,891</u>

**NOTE 7- RISK MANAGEMENT**

The Airport Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Airport Fund has obtained insurance coverage for all risks, except liability, for its property through the Huron County Road Commission as a member of the Michigan County Road Commission Self Insurance Pool, a public entity risk pool. The MCRCSIP currently operates as a common risk management and insurance program which charges annual premiums to its members for coverage. The pool is self-sustaining through member premiums and provides reinsurance through commercial companies for claims in excess of \$10 million for each insured event.

The Airport Fund continues to carry commercial insurance for all liability including hangar keepers liability.

## **SUPPLEMENTAL INFORMATION**

**HURON COUNTY AIRPORT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FROM BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Rental and fees	\$ 7,500	\$ 11,050	\$ 12,139	\$ 1,089
Grants	-	309,870	398,082	88,212
Fuel sales	1,000	1,450	1,797	347
Other	1,500	50,700	49,515	(1,185)
TOTAL REVENUES	<u>10,000</u>	<u>373,070</u>	<u>461,533</u>	<u>88,463</u>
EXPENDITURES:				
Salaries and fringe benefits	31,000	34,000	32,771	1,229
Labor and equipment rental	7,000	5,000	4,659	341
Maintenance and supplies	4,500	7,100	6,999	101
Contracted maintenance services	14,000	13,000	13,270	(270)
Utilities - office	7,300	7,300	5,591	1,709
Telephone	2,300	2,300	2,103	197
Runway lights	5,500	5,500	4,245	1,255
A.W.O.S. weather system	4,500	4,500	3,330	1,170
Insurance	6,000	6,000	6,485	(485)
Administrative expense	3,500	3,500	3,184	316
Capital outlay	-	358,370	431,069	(72,699)
Debt service:				
Principal	1,375	1,375	1,370	5
Interest	375	375	353	22
TOTAL EXPENDITURES	<u>87,350</u>	<u>448,320</u>	<u>515,429</u>	<u>(67,109)</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	<u>(77,350)</u>	<u>(75,250)</u>	<u>(53,896)</u>	<u>21,354</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	80,000	80,000	80,000	-
NET CHANGE IN FUND BALANCE	<u>2,650</u>	<u>4,750</u>	<u>26,104</u>	<u>21,354</u>
FUND BALANCE - JANUARY 1	18,852	18,852	18,852	-
FUND BALANCE - DECEMBER 31	<u>\$ 21,502</u>	<u>\$ 23,602</u>	<u>\$ 44,956</u>	<u>\$ 21,354</u>